

A nonprofit trust created by an agreement between a labor union and a business league is considered 'an association of persons having some common business interest' and is exempt under section 501(c)(6) of the Code.

A nonprofit trust was created as a result of an agreement between a labor union and a business league who are the sole creators. The creators appoint the trustees. All of the trust's activities are appropriate for a business league within the meaning of section 501(c)(6) of the Internal Revenue Code of 1954.

Section 1.501(c)(6)-1 of the Income Tax Regulations defines a business league as an association of persons having some common business interest, the purpose of which is to promote such common interest and not to engage in a regular business of a kind ordinarily carried on for profit.

Held, the trust is considered 'an association of persons having some common business interest' within the meaning of the regulations and it is exempt from Federal income tax under section 501(c)(6) of the Code.

Even though an organization considers itself within the scope of this Revenue Ruling, it must file an application on Form 1024, Exemption Application, in order to be recognized by the Service as exempt under section 501(c)(6) of the Code. The application should be filed with the District Director of Internal Revenue for the district in which is located the principal place of business or principal office of the organization. See section 1.501(a)-1 of the regulations.